

## STATE OF SOUTH CAROLINA

Petition of South Carolina Electric & Gas Company  
for an Accounting Order to Include Certain  
Payments to the City of Columbia in its Columbia  
Franchise Regulatory Asset Account

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

## COVER SHEET

DOCKET

NUMBER: 2009 - - E

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

Address: SCANA Corp.  
220 Operation Way MC C222  
Cayce, SC 29033

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Other:

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

## DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input checked="" type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



K. Chad Burgess  
Assistant General Counsel

chad.burgess@scana.com

December 4, 2009

**VIA ELECTRONIC FILING**

The Honorable Charles Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive (29210)  
Post Office Drawer 11649  
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company  
Petition for an Accounting Order  
Docket No. 2009-\_\_\_\_-E

Dear Mr. Terreni:

Enclosed for filing, on behalf of South Carolina Electric & Gas Company, is a Petition for an Accounting Order to Include Certain Payments to the City of Columbia in its Columbia Franchise Regulatory Asset Account.

By copy of this letter we are serving the South Carolina Office of Regulatory Staff with a copy the enclosed Petition and attach a certificate of service to that effect.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

K. Chad Burgess

KCB/kms

Enclosures

cc: Shannon Bowyer Hudson, Esquire  
John W. Flitter  
(both electronic mail and First Class U.S. Mail w/enclosures)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**

**DOCKET NO. 2009-\_\_\_\_\_-E**

IN RE:

Petition of South Carolina Electric & Gas Company for an Accounting Order to Include Certain Payments to the City of Columbia in its Columbia Franchise Regulatory Asset Account.	)	
	)	<b>PETITION OF SOUTH CAROLINA</b>
	)	<b>ELECTRIC &amp; GAS COMPANY FOR</b>
	)	<b>AN ACCOUNTING ORDER</b>
	)	

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South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") this Petition, pursuant to S.C. Code Ann. § 58-27-1540 (Supp. 2008) and 26 S.C. Code Ann. Reg. 103-825 (1976, as amended), seeking an accounting order for regulatory accounting purposes authorizing SCE&G to record to the regulatory asset account, for the City of Columbia ("City") franchise, certain payments made to the City totaling \$4 million and to recover this amount through the amortization mechanism established in Order No. 2003-38, dated January 31, 2003, issued in Docket No. 2002-223-E.

The request for relief set forth herein will not involve a change to any of SCE&G's rates or prices, or require any change in any Commission rule, regulation, or policy. In addition, the issuance of the requested accounting order will not prejudice the right of any party to address this issue in a subsequent general rate case proceeding. Accordingly, neither notice to the public at large, nor a hearing is required regarding this Petition.

In support of this Petition, SCE&G would respectfully show unto this Commission the following key facts and would request of and apply to the Commission for the following relief:

1. SCE&G is a corporation organized and existing under the laws of the State of South Carolina. Further, SCE&G is, in part, an electric utility engaged in the generation, transmission, distribution, and sale of electricity to the public for consumption. SCE&G's retail electric operations are subject to the jurisdiction of the Commission pursuant to the provisions of Chapter 27 of Title 58 of the South Carolina Code of Laws.

2. SCE&G operates an integrated electric utility system that serves over 654,000 customers in 24 counties covering nearly 16,000 square miles in central, southern and southwestern portions of South Carolina. SCE&G's service territory includes the metropolitan areas of Charleston, Columbia, Beaufort, and Aiken and many other smaller cities and towns, and rural areas in South Carolina.

3. Corporate legal counsel for SCE&G in this proceeding are as follows:

K. Chad Burgess, Esquire  
Matthew W. Gissendanner, Esquire  
**South Carolina Electric & Gas Company**  
Mail Code C222  
220 Operation Way  
Cayce, SC 29033-3701  
Telephone: 803-217-8141  
Facsimile: 803-217-7931  
chad.burgess@scana.com  
matthew.gissendanner@scana.com

All correspondence and any other matters relative to this proceeding should be addressed to SCE&G's authorized representatives as stated hereinabove.

4. Prior to 2002, an integral part of the franchise relationship between the Company and the City was the public transit system owned and operated by the Company. The transit system's routes, rates, operating losses and adequacy of service had all been issues in proceedings before the Commission and the subject of litigation before the courts.

5. In 2002, SCE&G successfully negotiated a new 30-year franchise for the provision of electric and gas services within the City of Columbia (“2002 Franchise Agreement”), which the Commission approved. See Docket No. 2002-145-E, Order No. 2002-521 (July 12, 2002). Among other things, the 2002 Franchise Agreement relieved the Company of its public transit operations and enabled the City to address public transit for its citizens and residents, and, in concert with other organizations, to develop a transit system serving regional transportation needs.

6. To secure the 30-year franchise with the City, the Company and the City also entered into a Conveyance Agreement in February 2002 (“Conveyance Agreement”), which the Commission also approved. See Docket No. 2002-145-E, Order No. 2002-521 (July 12, 2002). Among other things, the Company agreed to make cash payments to the City and to convey to the City certain real and personal property related to the transit operations. One such item of real property the Company agreed to convey was approximately 6.98 acres of land located on Huger Street in Columbia (“Huger Street Property”). Because the Huger Street Property was the site of a former manufactured gas production plant, the Conveyance Agreement provided for the conveyance of the property to take place after SCE&G completed environmental remediation on the property.

7. In a subsequent general rate proceeding, the Commission approved a stipulation agreement between the Company and other parties which provided for the recovery of costs incurred by the Company to secure the 2002 Franchise Agreement. The Commission’s order provided for an annual amortization of \$4 million which would remain in effect until all amounts related to this franchise had been recovered. The agreement stated in part that “[t]he amount of the franchise for the City of Columbia will include cash payments that will be made to the City

through 2009 under the terms of the Conveyance Agreement, amounts necessary to match Federal grants for new buses, the net book value of various assets transferred to the City and costs incurred in the future for improvements and modifications to the Columbia Canal Hydroelectric Project required by the Federal Energy Regulatory Commission pursuant to the renewal of the project's operating license." See Docket No. 2002-223-E, Order No. 2003-38 (Jan. 31, 2003).

8. As of May 2009, SCE&G had conveyed only 1.1 acres of the Huger Street Property. The environmental remediation provided for in the Conveyance Agreement had not yet been completed, and accordingly, SCE&G had not yet conveyed the remaining 5.88 acres of the Huger Street Property ("Bus Barn Property").

9. In May 2009, the City approached SCE&G about amending the Conveyance Agreement because the City no longer had a need for the Bus Barn Property.

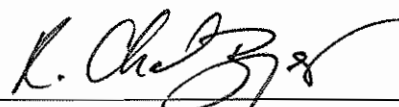
10. In July 2009, SCE&G and the City entered into an agreement (Exhibit A) amending the Conveyance Agreement ("Amendment"). Pursuant to the Amendment and in lieu of conveying the Bus Barn Property to the City, the Company will pay the City \$4 million in two equal installments of \$2 million. More specifically, SCE&G paid the first \$2 million installment contemporaneously with the execution of the Amendment and will pay the final \$2 million installment to the City by July 2010.

11. Although these payments to the City totaling \$4 million were not contemplated in either the Conveyance Agreement or Commission Order No. 2003-38, the payments are merely substitute consideration for the conveyance of the Bus Barn Property, which was contemplated in the earlier agreements and orders. Moreover, the City certainly saw value in the Bus Barn Property, and had SCE&G not agreed to convey the Bus Barn Property, the City would have

more than likely sought additional consideration of equal value from the Company at that time. SCE&G therefore seeks authorization to record the payments to the City totaling \$4 million to the regulatory asset account for the City franchise and to include and recover the \$4 million through the amortization mechanism established in Order No. 2003-38, dated January 31, 2003, issued in Docket No. 2002-223-E.

**WHEREFORE**, having set forth its Petition, SCE&G respectfully requests that the Commission issue an order (i) authorizing SCE&G to record payments to the City totaling \$4 million, which were made pursuant to the Amendment and in lieu of conveying the Bus Barn Property, to the regulatory asset account established for the City Franchise and to include this \$4 million as part of the amortizable costs of said franchise and (ii) granting such other and further relief as is just and proper.

Respectfully submitted,



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Matthew W. Gissendanner, Esquire  
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Attorneys for Petitioner  
South Carolina Electric & Gas Company

Cayce, South Carolina  
December 4, 2009

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2009-\_\_\_\_-E**

IN RE:

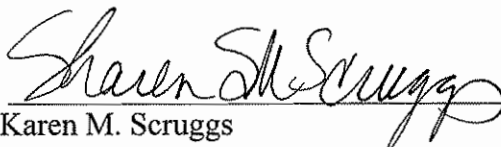
Petition of South Carolina Electric & Gas )  
Company for an Accounting Order to )  
Include Certain Payments to the City of )  
Columbia in its Columbia Franchise )  
Regulatory Asset Account )  
\_\_\_\_\_ )

**CERTIFICATE  
OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Petition for an Accounting Order** via electronic mail and First Class U.S. Mail to the person named below at the address set forth:

Shannon Bowyer Hudson, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201  
[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)

John W. Flitter  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201  
[jflitter@regstaff.sc.gov](mailto:jflitter@regstaff.sc.gov)

  
\_\_\_\_\_  
Karen M. Scruggs

Columbia, South Carolina  
This 4th day of December 2009